

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 00409 111203Z

43

ACTION EA-14

INFO OCT-01 ISO-00 SS-20 NSC-10 CIAE-00 DODE-00 INR-10

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03 EB-11

COME-00 TRSE-00 SCEM-02 INT-08 SCI-06 DRC-01 /107 W

----- 074319

R 111009Z JAN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 287

LIMITED OFFICIAL USE MANILA 0409

E.O. 11652: N/A

TAGS: EGEN, RP

SUBJECT: PRESIDENT'S ECONOMIC POLICY SPEECH

1. IN MIDST OF PREPARATIONS FOR TANAKA VISIT, PRESIDENT MARCOS APPEARS TO HAVE DELIVERED TO CENTRAL BANKERS JAN 4 HIS OWN PRESCRIPTIONS FOR THE PHILIPPINE ECONOMY. IN WHAT A LEADING TECHNOCRAT CALLED "PURE MARCOS" STATEMENT, THE PRESIDENT SAID COUNTRY WAS ON VERGE OF "ECONOMIC TAKEOFF". CITING GROWTH IN PAST YEAR, MOUNTING FOREIGN EXCHANGE RESERVES AND CONTINUING STRONG DEMAND FOR PHILIPPINE EXPORTS HE LAID OUT A FOUR POINT POLICY TO TAKE ADVANTAGE OF TAKEOFF CONDITIONS. HE WAS OPTIMISTIC ABOUT GROWTH PROSPECTS IN THE YEAR AHEAD, EXCEPT FOR POSSIBLE EFFECTS OF THE ENELPY CRISIS.

2. THE FOUR MAIN POINTS OF MARCOS ECONOMIC POLICY WHICH HAVE BEEN ISSUED AS GUIDELINES TO ALL STATE PLANNING GROUPS WERE (A) INCREASED EMPHASIS ON FOOD PRODUCTION AND SMALL SCALE INDUSTRY TO HELP RESIST INFLATION; (B) CONTINUED WAGE RESTRAINT TO RETAIN PHILIPPINE EDGE IN REGIONAL BID FOR NEW PROJECTS; (C) STRONGER EMPHASIS ON EXPORTS; (D) CONTINUING ENCOURAGEMENT TO THE ENTRY OF FOREIGN CAPITAL, WITH

LIMITED OFFICIAL USE

PAGE 02 MANILA 00409 111203Z

EMPHASIS ON OIL EXPLORATION, FOREST DEVELOPMENT

AND OTHER EXPORT-ORIENTED PROJECTS.

3. ACCORDING KEY TECHNOCRAT, MARCOS SAVED HIS "TAKEOFF" STATEMENT UNTIL THIS TIME BECAUSE OF EARLIER CONCERN ABOUT EFFECTS OF MINDANAO SITUATION ON DEVELOPMENT AND GROWTH PROSPECTS. WHILE PRESIDENT'S OWN ANNOUNCED REAL GROWTH RATE OF 10 PERCENT IN 1973 SHOULD NOT BE TAKEN WITHOUT CAREFUL EVALUATION, 6-7 PERCENT REAL GROWTH SEEMS UNDENIABLE EVEN AS A CONSERVATIVE ASSESSMENT. WITH CONCERNS IN THE PAST YEAR ABOUT MINDANAO, FOOD SCARCITIES, A STILL RAPID POPULATION GROWTH AND GROWING WORRIES OVER ENERGY SUPPLIES, A REAL GROWTH IN THE LOWER RANGE IS NO SMALL ACHIEVEMENT.

4. TWO FEATURES OF CURRENT POLICY STAND OUT IN SPEECH. FIRST IS EMPHASIS ON WAGE POLICY WHICH, AS ANTICIPATED IN MANILA'S 143, SHUNS ACROSS-THE-BOARD CHANGES IN MINIMUM WAGE IN FAVOR OF A WAGE SUPPLEMENT TARGETED ON P600/MONTH AND LOWER WAGE EARNING CATEGORIES IN GOVERNMENT. PRESIDENT PUBLICLY TOOK STAND THAT HE WANTED TO RETAIN COUNTRY'S COMPETITIVE EDGE IN WAGE LEVEL IN ORDER TO CAPITALIZE ON THIS ATTRACTION TO NEW INVESTMENT AND BOOST EMPLOYMENT.

5. SECOND POINT MARCOS DWELLED ON WAS RESERVE POSITION, NOTING (AND EXAGGERATING) GROWTH IN PAST YEAR, BUT SUGGESTING NO INTENT TO BURN THESE OFF RAPIDLY. IN FACT, LICAROS HAS SINCE STATED PRIVATELY GHAT GOP INTENDS KEEP UP ALL EXISTING LINES OF CREDIT IN ORDER TO KEEP OPTIONS OPEN TO FINANCE ENERGY OR DEVELOPMENT IMPORTS OR BOTH.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFLATION, EXPORTS, PETROLEUM, SUPPLIES, WAGES, ECONOMIC PROGRAMS, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA00409
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740148/aaaabsyf.tel
Line Count: 94
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by martinml>; APPROVED <03-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESIDENT'S ECONOMIC POLICY SPEECH
TAGS: EGEN, RP, (MARCOS)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005